

CONRAIL®



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*Via UPS Overnight Mail*

July 28, 2009

Anne K. Quinlan, secretary  
Surface Transportation Board  
395 E. Street, SW  
Washington, DC 20423-001

RE: Docket NO. AB 167 (Sub-No. 1190X)  
Consolidated Rail Corporation – Abandonment  
Exemption – in Hudson County, New Jersey

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~~Docket No. AB 55 (Sub-No. 690X)  
CSX Transportation, Inc. Discontinuance  
Exemption – in Hudson County, New Jersey~~

~~Docket No. AB 290 (Sub-No. 313X)  
Norfolk Southern Railway Company Discontinuance  
Exemption – in Hudson County, New Jersey~~

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Office of Proceedings

JUL 30 2009

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Dear Ms. Quinlan:

Enclosed please find a copy of a letter sent this date to Eric Strohmeyer, Vice president of CNJ Rail Corporation ("CNJ"), providing him on behalf of CNJ with the minimum purchase price for the rail line that is the subject of the above referenced abandonment proceeding. In accordance with the Board's directive contained in its Decision, dated May 26, 2009, this letter is to certify I have sent Mr. Strohmeyer a copy of the enclosed letter by UPS overnight delivery as well as a copy of the real estate appraisal report supporting the minimum purchase price and the valuation maps for the entire line. Thank you for your attention to this matter.

Sincerely,

  
John K. Enright

cc: Eric Strohmeyer, V.C. CNJ Rail Corporation  
Rachel D. Campbell, Director, Office of Proceedings

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***Via UPS Overnight Mail***

July 28, 2009

Eric S. Strohmeyer  
Vice president, COO  
CNJ Rail Corporation  
81 Century Lane  
Watchung, NJ 07069

Re: Docket No. AB 167 (Sub No. 1190) X  
Consolidated Rail Corporation  
Lehigh Valley Main Line (the "Line")  
CNJ Rail Corporation's Notice of Intent to File an OFA

Dear Mr. Strohmeyer:

This letter further supplements my previous letters of December 31, 2008 and January 22, 2008 in response to the subject Notice of Intent to File an OFA and is also in response to the Decision of the Surface Transportation Board, dated May 26, 2009 directing Conrail to provide CNJ with an "up-to-date, minimum purchase price for the segments of the line that CNJ has expressed interest in purchasing pursuant to an OFA, including those segments Conrail claims it no longer owns or are involved in a state court settlement." We have divided the Line into three separate parcels and are providing separate minimum purchase prices for each of them. Also included with this letter is a current appraisal for two of the three parcels, prepared by Cushman & Wakefield. An appraisal was not done for the third parcel because Conrail is assigning a \$0.00 minimum purchase price because the property included within that parcel is no longer owned by Conrail. Parcels A and B are depicted in Exhibit A, page 3 of 3 of the enclosed appraisal report. Parcel C includes the remainder of the Line depicted in the attached Valuation Map that is not encompassed by Parcels A or B.

Parcel A – 5.73 acres between Chapel and East Linden Avenues – \$13,600,000  
Parcel B – .06 acres along the south side of Communipaw Avenue – \$90,000  
Parcel C – The remainder of the Line not encompassed by Parcels A or B – \$0.00

The foregoing meets the requirements of 49 C.F.R. § 1152.27(a)(1)(ii) for the "minimum purchase price." It also meets the requirement for "the carrier's estimate of

Eric S. Strohmeyer  
July 28, 2009  
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the net liquidation value of the line, with supporting data reflecting available real estate appraisals." None of the other requirements of 49 C.F.R. § 1152.27(a)(1)(ii) is relevant here, because there has been no rail traffic on the line for many years and no rail structure remains on the line. Indeed, most of the line has been sold as real estate to other parties for non-rail use. Thus, there are nothing to provide regarding "the physical condition of the line," "[t]raffic, revenue, and other data necessary to determine the amount of annual financial assistance that would be required to continue rail transportation," or "assessments of the quality and quantity of track materials in a line, and removal cost estimates."

Please confirm your agreement that Conrail has now fully complied with its obligations under 49 CFR 1152.27(a)(1)(ii). If you disagree or if you have any questions regarding this letter or the appraisal report, please call me. Thank you.

Sincerely,



John K. Enright

cc: Anne K. Quinlan, Acting Secretary  
Rachel D. Campbell, Director, Office of Proceedings